

## Alternative Performance Measures

- **Economic Sales:** equals Gross Profit and is used without distinction by the Management to refer to the figure resulting of subtracting Procurements to the Revenue figure.

Management believes that gross profit is a meaningful measure of the fee revenue we generate from performing our distribution services and provides a useful comparative measure to investors to assess our financial performance on an on-going basis.

|                     | Million €                   |                             |
|---------------------|-----------------------------|-----------------------------|
|                     | 1 Oct. 2017 – 30 Sept. 2018 | 1 Oct. 2016 – 30 Sept. 2017 |
| Revenue             | 9,476.5                     | 9,493.2                     |
| Procurements        | (8,358.3)                   | (8,443.5)                   |
| <b>Gross Profit</b> | <b>1,118.2</b>              | <b>1,049.7</b>              |

- **Adjusted Operating Profit (Adjusted EBIT):** This item is calculated, fundamentally, discounting from the Operating Profit those costs that are not directly related to the revenue obtained by the Group in each period, facilitating the performance of Group's the operating costs and margins.

The Adjusted Operating Profit (Adjusted EBIT) is the main indicator used by the Group's Management to analyse and measure the progress of the business.

|   | Million €                   |                             |
|---|-----------------------------|-----------------------------|
|   | 1 Oct. 2017 – 30 Sept. 2018 | 1 Oct. 2016 – 30 Sept. 2017 |
| <b>Adjusted Operating Profit</b>                                | <b>245.9</b>                | <b>218.8</b>                |
| (-) Restructuring Costs   | (3.6)                       | (9.0)                       |
| (-) Amortization of Assets Logista France                       | (52.3)                      | (52.2)                      |
| (+/-) Net Loss of Disposal and Impairment of Non-Current Assets | (0.5)                       | (0.3)                       |
| (+/-) Share of Results of Companies and Others                  | 1.0                         | 0.7                         |
| <b>Profit from Operations</b>                                   | <b>190.5</b>                | <b>158.0</b>                |

- **Adjusted Operating Profit margin over Economic Sales:** calculated as Adjusted Operating Profit divided by Economic Sales (or indistinctly, Gross Profit).

This ratio is the main indicator used by the Group's Managements to analysis and measure the performance of the profitability obtained by the Group's typical activity in a period.

|                                   | Million €                   |                             |                  |
|-----------------------------------|-----------------------------|-----------------------------|------------------|
|                                   | 1 Oct. 2017 – 30 Sept. 2018 | 1 Oct. 2016 – 30 Sept. 2017 | %                |
| Economic Sales                    | 1,118.2                     | 1,049.7                     | 6.5%             |
| Adjusted Operating Profit         | 245.9                       | 218.8                       | 12.4%            |
| <b>Margin over Economic Sales</b> | <b>22.0%</b>                | <b>20.8%</b>                | <b>+120 b.p.</b> |

- **Operating costs:** this term is composed by the costs of logistics networks, commercial expenses, research expenses and head offices expenses that are directly related to the revenue obtained by the Group in each period. It is the main figure used by the Group's Management to analyse and measure the performance of the costs structure. It does not include restructuring costs and amortization of assets derived from the Logista France acquisition, due to are not directly related to the revenues obtained by the Group in each period.

#### Reconciliation with Annual Accounts:

| <i>Million €</i>  | <b>1 Oct. 2017 –<br/>30 Sept. 2018</b> | <b>1 Oct. 2016 –<br/>30 Sept. 2017</b> |
|---|--|--|
| Cost of logistics network                                 | 780.6                                  | 744.0                                  |
| Commercial expenses                                       | 67.2                                   | 65.9                                   |
| Research expenses   | 2.1                                    | 2.1                                    |
| Head office expenses                                      | 78.3                                   | 80.2                                   |
| (-) Restructuring costs                                   | (3.6)                                  | (9.0)                                  |
| (-) Amortization of Assets Logista France                 | (52.3)                                 | (52.2)                                 |
| <b>Operating Costs or Expenses in management accounts</b> | <b>872.3</b>                           | <b>830.9</b>                           |

- **Non-recurring expenses:** refers those expenses that, although they might occur in more than one period, do not have a continuity in time (as opposed to operating expenses) and affect only the accounts in a specific moment.

This magnitude helps the Group's Management to analyse and measure the performance of the Group's activity in each period.

- **Recurring operating expenses:** this term refers to those expenses occurred continuously and allow sustain the Group's activity. They are estimated from the total operating costs less the non-recurring costs defined in the previous point.

This magnitude helps the Group's Management to analyse and measure the performance of efficiency in the activities carried out by the Group.

| <i>Million €</i>                    | <b>1 Oct. 2017 –<br/>30 Sept. 2018</b> | <b>1 Oct. 2016 –<br/>30 Sept. 2017</b> |
|-------------------------------------|--|--|
| Operating costs or expenses         | 872.3                                  | 830.9                                  |
| Non-recurring costs                 | 0                                      | (6.8)                                  |
| <b>Recurring operating expenses</b> | <b>872.3</b>                           | <b>824.1</b>                           |

- **Restructuring costs:** are the costs incurred by the Group to increase the operating, administrative or commercial efficiency in our company, including the costs related to the reorganization, dismissals and closes or transfers of warehouses or other facilities.
- **Non-recurring results:** refers to the results of the year that do not have a continuity during the year and affect the accounts in a specific moment. It is included in the Operating Profit.